



Potlatch Corporation

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April 15, 2004

Via Facsimile Transmission and Overnight Delivery

Dawn M. Odrowski, Esq.
Enforcement Attorney
Federal Election Commission
999 E Street NW
Washington, DC 20463

Subject: MUR 5428
Potlatch Corporation

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
2004 APR 16 P 1:53

Dear Ms. Odrowski:

In accordance with the April 13, 2004 letter from our counsel, Vigo G. Nielsen, Jr., (a copy of which is attached) we enclose the Affidavit of Hubert D. Travaille, which addresses the issues raised in the Commission's letter to us dated March 22, 2004.

We are requesting that with the additional information contained in the Affidavit a determination be made that Potlatch Corporation did not violate the Federal Election Campaign Act of 1971.

Thank you for your assistance and consideration.

Very truly yours,

Ralph M. Davisson
Vice President and General Counsel

RMD/sm
Enclosures

cc: Vigo G. Nielsen, Jr., Esq. (w/encl.)
Hubert D. Travaille (w/encl.)

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STATE OF WASHINGTON)

)ss
COUNTY OF SPOKANE)

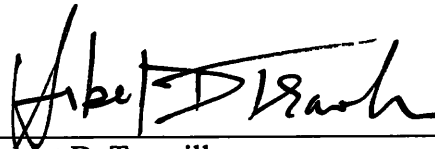
AFFIDAVIT
OF HUBERT D. TRAVAILLE

I, Hubert D. Travaille, being first duly sworn on oath, depose and say:

1. I am the Vice President, Public Affairs, Potlatch Corporation ("Potlatch").
2. I make this Affidavit in response to the Federal Election Commission's March 22, 2004, letter to Gerald Zuehlke, Vice President, Finance, for Potlatch, notifying Potlatch that the Commission had found reason to believe that Potlatch made a prohibited \$5,000 corporate contribution in connection with a Federal election in 2000. (MUR 5428)
3. In my capacity as Vice President, Public Affairs, for Potlatch, I authorized the issuance of the \$5,000 corporate check that is in question in this investigation. The check was made payable to the Republican Party of Arkansas ("RPA"), and was intended for use by the RPA for allowable state expenditures. It was not intended for use in any way in Federal election activities. The Commission's March 22 notification that the RPA had allocated our check to a Federal account came as a shock.
4. The check in question was issued by Potlatch on March 22, 2000, and was hand delivered shortly thereafter by Ted Wagnon, Potlatch's former director of public affairs in Arkansas, to the RPA's office in Little Rock.
5. Mr. Wagnon is no longer employed by Potlatch. Subsequent to receiving the Commission's March 22 letter, I phoned Mr. Wagnon to discuss his recollection of the matter. Mr. Wagnon also was astonished that the check had been allocated by the RPA to Federal campaign use. The check was clearly a corporate contribution, and the RPA clearly knew the source of the funds and knew that use of corporate funds was limited.
6. Both Mr. Wagnon and I are experienced in the laws relating to campaign financing. In 2000, Mr. Wagnon handled all political activities in Arkansas for Potlatch. He spent most of his time at the state capitol in Little Rock during the legislative session, working with state legislators and other state political leaders. For the past 15 years I have had responsibility for general management of the company's political contributions, as well as specific responsibility for all Federal political affairs. In addition, I have been chairman of the company's PAC (the Potlatch Employees' Political Fund). Given the responsibilities that I have had, and because I am an attorney, I have always been conscientious in assuring that Potlatch adhere to all rules relating to corporate political expenditures.

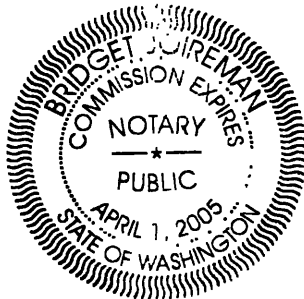
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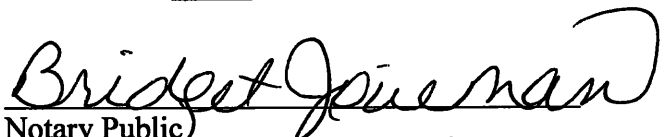
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7. For years we have supported candidates for Federal election in Arkansas through our PAC. In addition, at the state level we have frequently made corporate contributions to candidates for state office in Arkansas, as permitted by state law.
 8. Potlatch also on occasion has made corporate contributions to state political parties for permissible state party uses, such as in the instant case. Based on our experience in making corporate contributions to the state parties, at the time we delivered our check to the RPA it was our assumption the funds would be used for allowable state expenditures.
 9. Since receiving the Commission's March 22, 2004, letter, I have spoken with people in Arkansas and searched the Internet to learn more about the RPA. It is difficult to discover what exactly was going on within the RPA in 2000, especially as it relates to the party's handling of its accounts. There appears to have been considerable disarray and accounting shortcomings within the party at that time. However, our contact with the party in March of 2000 gave us no cause to suspect that the party would mishandle our contribution.



Hubert D. Travaille

SUBSCRIBED AND SWORN TO before me this 15th day of April, 2004.




Notary Public
My Commission Expires: April 1, 2005